

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rita Boppana,

Complainant,

vs.

Southern California Gas Company,

Defendant.

Case 00-05-010
(Filed May 11, 2000)

And Related Matters.

Case 00-05-011
(Filed May 11, 2000)
Case 00-05-012
(Filed May 11, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
AUTHORIZING A HEALTH RISK ASSESSMENT AND
ORDERING SOUTHERN CALIFORNIA GAS COMPANY TO ESTABLISH
A MEMORANDUM ACCOUNT TO BOOK THE COSTS OF THE STUDY**

Summary

This ruling authorizes the Commission to undertake a Health Risk Assessment (HRA), and all preliminary studies necessary to support it, of the Southern California Gas Company's (SoCalGas) gas storage facility and gas fields in Playa del Rey, California. SoCalGas should establish a memorandum account to track and book the costs and expenses of this study.

I. Background

On May 11, 2000, Rita Boppana, Christine Story, and Albert Jibilian each filed a complaint against SoCalGas, Case (C.) 00-05-010, C.00-05-011, and C.00-05-012, respectively. Although the complaints were filed separately, on September 8, 2000, the Commission consolidated the three complaints because they share a common question: Is SoCalGas operating its Playa del Rey gas storage facility and gas fields in a manner that ensures the safety and health of the neighboring residents? The complaints ask the Commission to conduct an investigation to determine if the storage facility is venting or leaking gas, or depositing carcinogens into the air or soil in a manner that compromises the health or safety of the people in the neighboring community.

At the time the complaints were filed, the Commission was conducting an environmental review as required by the California Environmental Quality Act (CEQA) in an application proceeding, Application (A.) 99-05-029 filed by SoCalGas to sell vacant lots adjacent to the Playa del Rey gas storage facility. Some of the lots are over abandoned and capped oil and gas wells. The protests to the application raised environmental, health, and safety issues concerning the abandoned wells.

At the beginning of the complaint procedure, the Commission anticipated that the CEQA review in A.99-05-029 would address many of the same health and safety concerns alleged in the consolidated complaints. To avoid unnecessary duplication of effort and expenses, the Commission stayed further investigations in the complaints pending the completion of the environmental report in A.99-05-029.

On September 8, 2000, a combined Prehearing Conference (PHC) and Public Participation Hearing (PPH) in both the consolidated complaints and A.99-05-029 was held in the Playa del Rey area. At that PHC portion of the

proceeding, the parties were advised of the environmental review underway in A.99-05-029 and of the stay in the consolidated complaints. During the PPH, members of the Playa del Rey community shared with the Commission their concerns about health and safety issues surrounding the gas storage facility.

As the environmental review progressed in A.99-05-029, it became apparent to Commission staff that the application triggered concerns that were distinct and narrower in scope from those raised in the complaints. Although the environmental study of the lots would include an analysis of health and safety problems associated with the abandoned wells under the lots, the scope of the study would not include the gas storage facility or the gas storage fields.

In addition to this discovery, Commission staff from the Utility Safety Branch and the Energy Division had been following up on the citizen complaints aired during the PPH portion of the September 2000 hearing. The gravamen of the citizen complaints was a concern that gas was leaking, or being vented, into the atmosphere and soil contiguous to the storage facility and the gas was seriously affecting the health and well-being of the neighbors.

A follow-up PHC/PPH was held on August 24, 2001, to bring the concerned citizens and SoCalGas up-to-date on the progress of the environmental review in A.99-05-029 and the investigation in the consolidated complaints. Attendees at the PHC portion of this hearing were advised that the Commission was lifting the stay on the complaints and would be going forward with the HRA.

In summary, the complainants in C.00-05-010, C.00-05-011, and C.00-05-012, as well as members of the public speaking up at the PPH portions of the two hearings held in Playa del Rey (9/8/00, and 8/24/01), claim a medley of ills they are certain are associated with the on-going operation of SoCalGas' gas storage facility in Playa del Rey. Near-by residents complain of smelling gas and

other noxious odors at irregular times during the day or week that appear to come from the storage facility. SoCalGas does admit that it vents gas from its facility at irregular intervals as necessary, but also contends that the venting does not pose a health risk. Simply put, SoCalGas alleges that gas rises—and rises quickly, so vented gas dissipates quickly into the atmosphere and basically disappears before it can be inhaled by residents. The near-by homeowners are not content with SoCalGas' explanation of its venting operations.

Another key complaint of the Playa del Rey residents is that they think there is seepage of gas from the operational and abandoned wells and the underground storage into the soil, water supply, and atmosphere that may be exposing them to benzene—a known carcinogen. In point of fact, many residents have significant health problems, including a high incidence of cancer, which they fear are caused by carcinogens released into the air and soil from the gas storage facility.

SoCalGas, on the other hand, claims it has monitoring and maintenance records indicating that there is no evidence of the storage gas leaking into the soil, the shallow zone surface, or the atmosphere. In addition, the utility denies that there are any toxins in the air or soil surrounding the abandoned wells or the storage facility that expose the neighboring residents to any known health hazards. Because SoCalGas believes it is running its facility in a safe fashion it is on record as supporting the Commission's review of its operation so as to put to rest the concerns of the neighbors.

II. Discussion

As a regulated utility, SoCalGas has on-going obligations to monitor its activities to ensure that its facility is operating according to normal industry standards for health and safety and to submit data and reports to the Commission evidencing that it is meeting its responsibilities. To date, the

monitoring documentation SoCalGas has provided to the Commission indicates that it is managing the Playa del Rey storage facility and the abandoned wells according to industry standards. In light of the discrepancy between the concerns of the citizens and the records of SoCalGas, Commission staff determined that the only way to thoroughly investigate these complaints was to conduct an HRA of the storage facility itself.

The environmental review undertaken pursuant to CEQA for A.99-05-029 will thoroughly evaluate the risk of building houses on top of abandoned wells on the lots subject to the application, as well as studying the impact the lot sales will have on the environment. The scope of that study, however, will not cover an analysis of the soil, subsoil, and atmospheric conditions associated with the operation of the gas storage facility, sufficient to respond to the issues raised in the complaints.

Commission staff, as well as other agencies, have already monitored the air, and conducted spot soil checks of the storage facility. However, the topography and atmospheric conditions of the specific area where the gas storage facility is located do not lend themselves to spot or periodic tests. The main SoCalGas operational facility is situated on a bluff; and the gas storage fields are down on the plateau below the bluff. West of the plateau and bluff is the ocean, close-by is the harbor of Marina del Rey, and Los Angeles Airport (LAX) is south of the bluff area. Because of the aircraft activity from LAX, the ever-changing winds from the ocean, and the unique atmosphere that exists in the plateau/bluff area, spot-checking is not an adequate or satisfactory testing methodology. Plainly put, if a neighbor smelled a noxious odor at a particular point in time, a study conducted a few hours later might not test what was present at the time of the complaint.

An HRA is one methodology that is designed to control for the volatile atmospheric and weather conditions present in a particular location. An HRA will incorporate a comprehensive microclimate study that includes long-term monitoring at the same location controlling for different atmospheric, weather, and time-of-day circumstances. The Commission and its staff are hopeful that the HRA will adequately control for the unique atmospheric conditions present in Playa del Rey and allow the Commission to determine if there are health and/or safety risks present at the gas storage facility. Strictly speaking, the HRA does not necessarily include a microclimate study. The microclimate study is typically a separate study. However, given the climatic conditions in the Playa del Rey area and the nature of the health and safety risk concerns raised by the complaints, it is necessary in this case.

The HRA will be conducted by an independent third party, not joined or associated with the Commission, SoCalGas, or complainants and their representative organizations. At any Commission proceeding where the HRA is presented as evidence, the final HRA and its supporting test results, as well as the experts involved in the preparation of the final report, will be available for review. The experts will be available for cross-examination at an evidentiary hearing as to their qualifications, the test methodologies utilized, test results, and their conclusions.

III. Memorandum Account

SoCalGas is directed to open a memorandum account to book all costs associated with the HRA. The ratemaking aspects of the memorandum account will be addressed at a subsequent point in this proceeding.

Therefore, **IT IS RULED** that:

1. Commission staff are ordered to commission a Health Risk Assessment (HRA) for Southern California Gas Company's (SoCalGas) gas storage facility and gas fields in Playa del Rey.
2. SoCalGas is to establish a memorandum account to track the costs and expenses connected with the HRA.

Dated October 3, 2001, at San Francisco, California.

/s/ CAROL BROWN
Carol Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Authorizing a Health Risk Assessment and Ordering Southern California Gas Company to Establish a Memorandum Account to Book the Costs of the Study on all parties of record in this proceeding or their attorneys of record.

Dated October 3, 2001, at San Francisco, California.

/s/ KE HUANG

Ke Huang

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